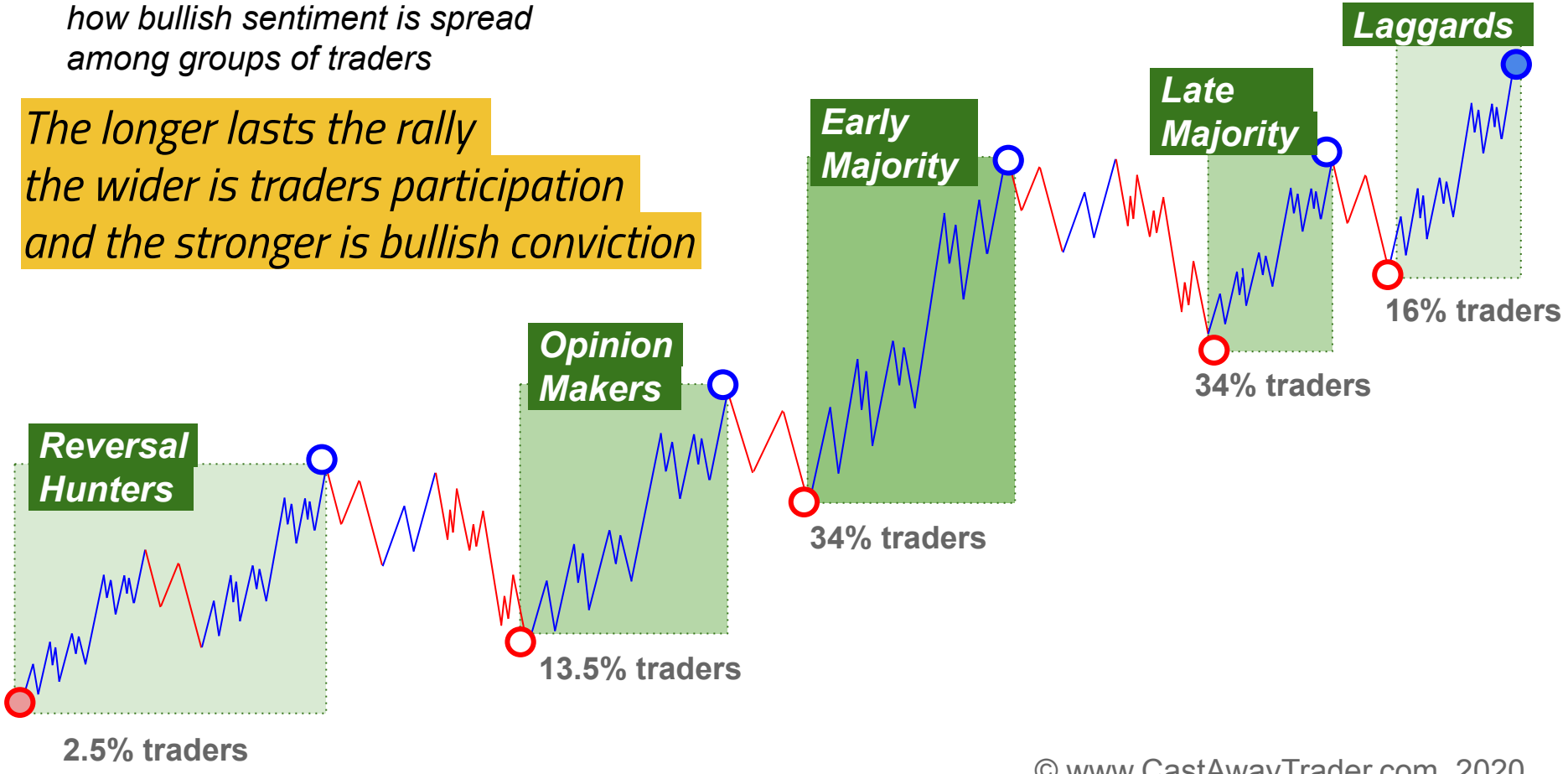
Phases of a Bull Market

how bullish sentiment is spread among groups of traders

The longer lasts the rally
the wider is traders participation
and the stronger is bullish conviction



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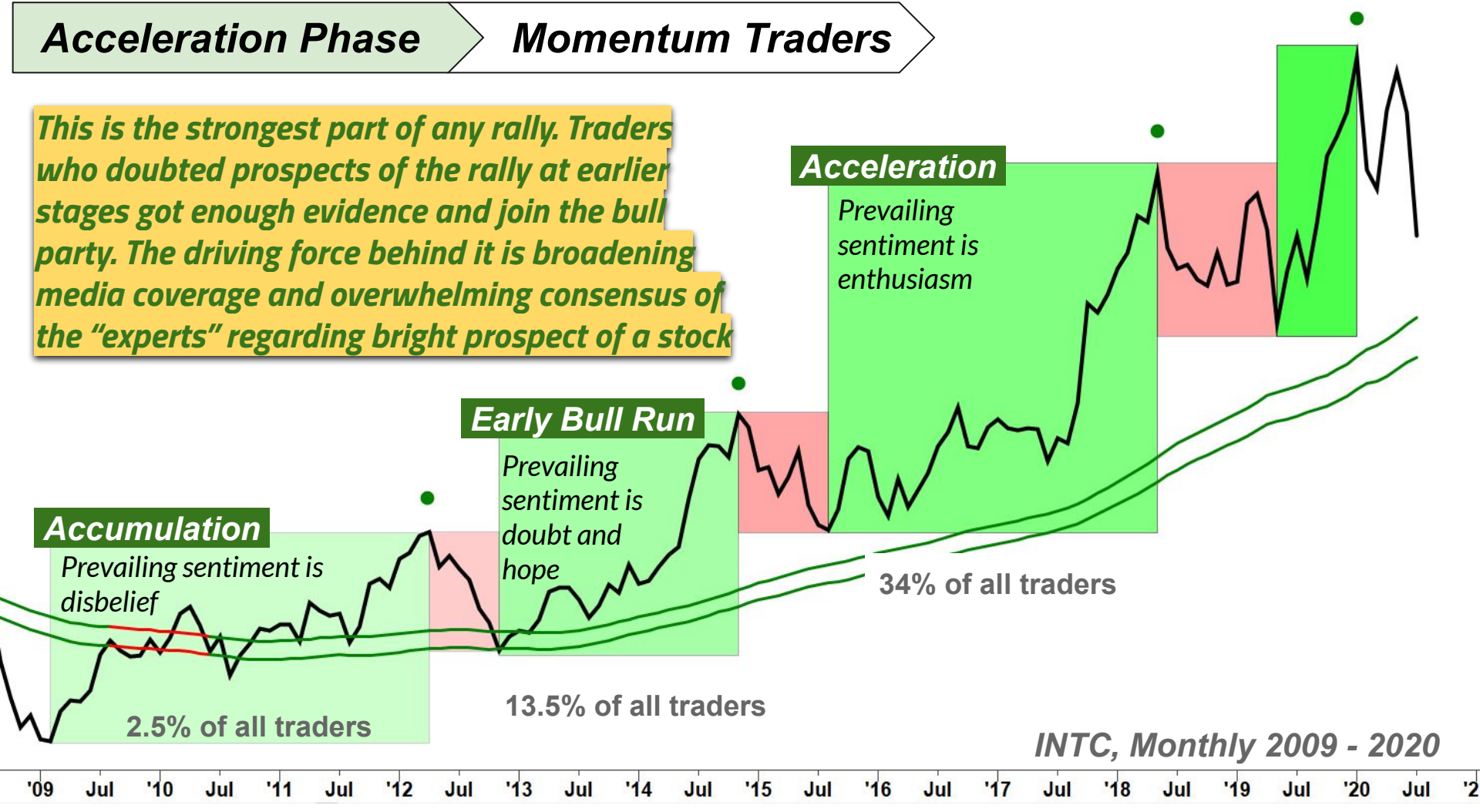
Acceleration Phase | Momentum Traders

This is the strongest part of any rally. Traders who doubted prospects of the rally at earlier stages got enough evidence and join the bull party. The driving force behind it is broadening media coverage and overwhelming consensus of the "experts" regarding bright prospect of a stock


Acceleration
Prevailing sentiment is enthusiasm
Early Bull Run
Prevailing sentiment is doubt and hope
Accumulation
Prevailing sentiment is disbelief
34% of all traders
13.5% of all traders
2.5% of all traders
INTC, Monthly 2009 - 2020
'09 Jul '10 Jul '11 Jul '12 Jul '13 Jul '14 Jul '15 Jul '16 Jul '17 Jul '18 Jul '19 Jul '20 Jul '2

"Early Majority" or "Trend Chasers" or "Late Momentum Traders"

*Members of the "**Early Majority Group**" closely follow "Opinion Makers", the driving force of the previous **"Early Bull Run"** phase of a rally.*
"Opinion Makers"** or **"Experts"** are the first to react to any positive news. We can call them the **"Early Momentum Buyers".

*It takes the **"Late Momentum Traders"** more time to completely adopt a new idea or believe in a new trend. When the **"Opinion Makers"** buy a stock after the very first move up and then share their conviction in its upside potential in social medias that large group of traders read those posts but continue to hesitate in making decision to buy.*
*The newswatchers cause price to jump and make a new higher high. And that new push up in price becomes the last argument if favor of joining the rally for bigger group of the **"Late Momentum Traders" or "Trend Chasers".***

"Late Majority" or "Trend Chasers" or "Late Momentum Traders"

*The **"Opinion Makers"** or the **"Experts",** members of the the "**Early Majority Group**" buy a stock because they believe that some catalyst (breaking news or breakout over important resistance) will propel price to a higher level. They are newswatchers who make forecasts about some price target that price can achieve because of some news or technical event. They really do not care about the current price they pay. They focus on a future price*

*Members of the **"Late Momentum Traders"** buy because price has been moving up. They buy because the "Opinion Makers" shared their positive outlook for a stock and the stock actually went up. They chase the price without any clear idea what caused the rally and whether the rally had any room left to go higher. They react to positive developments in price correctly predicted by leaders they follow.*